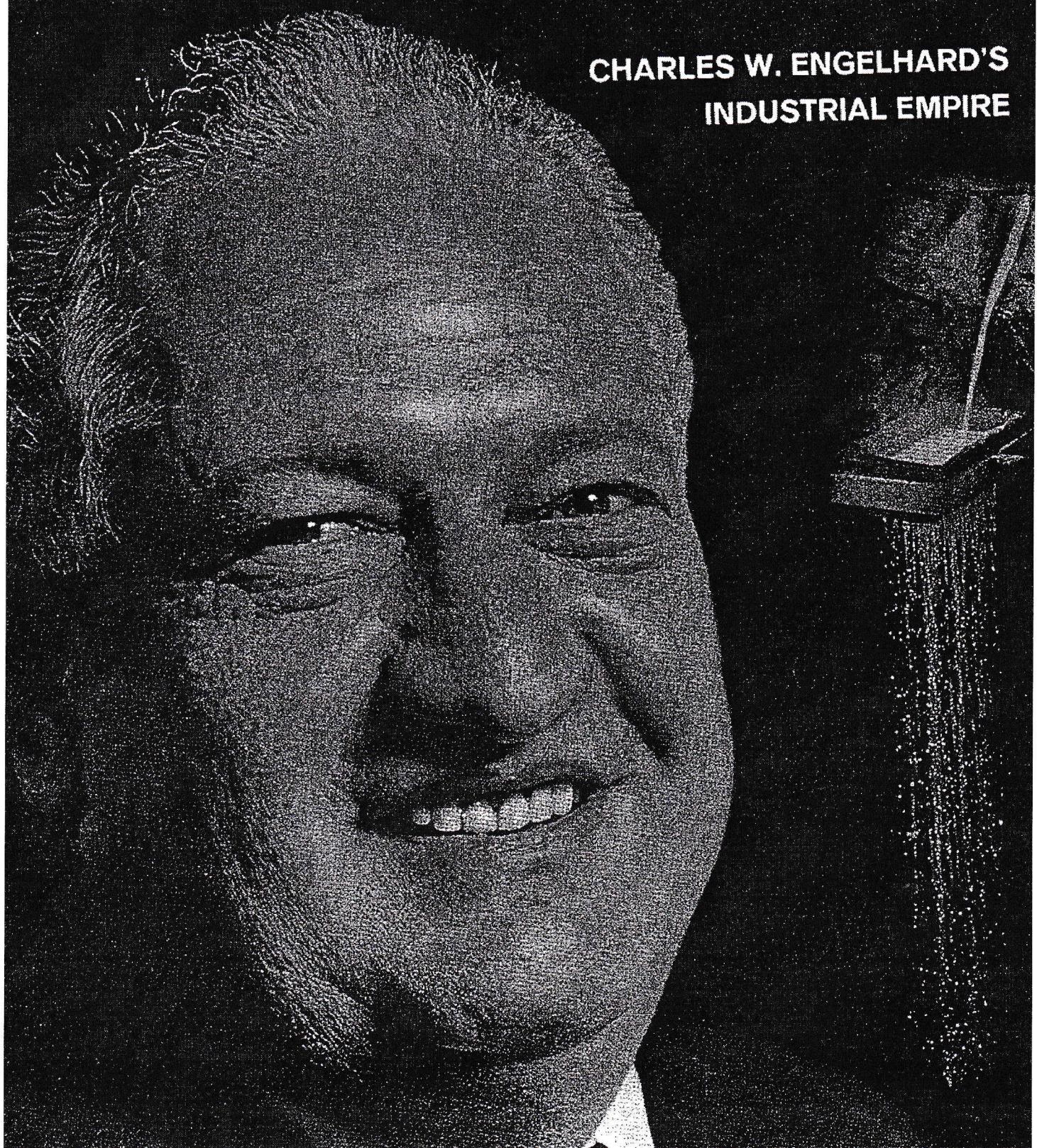


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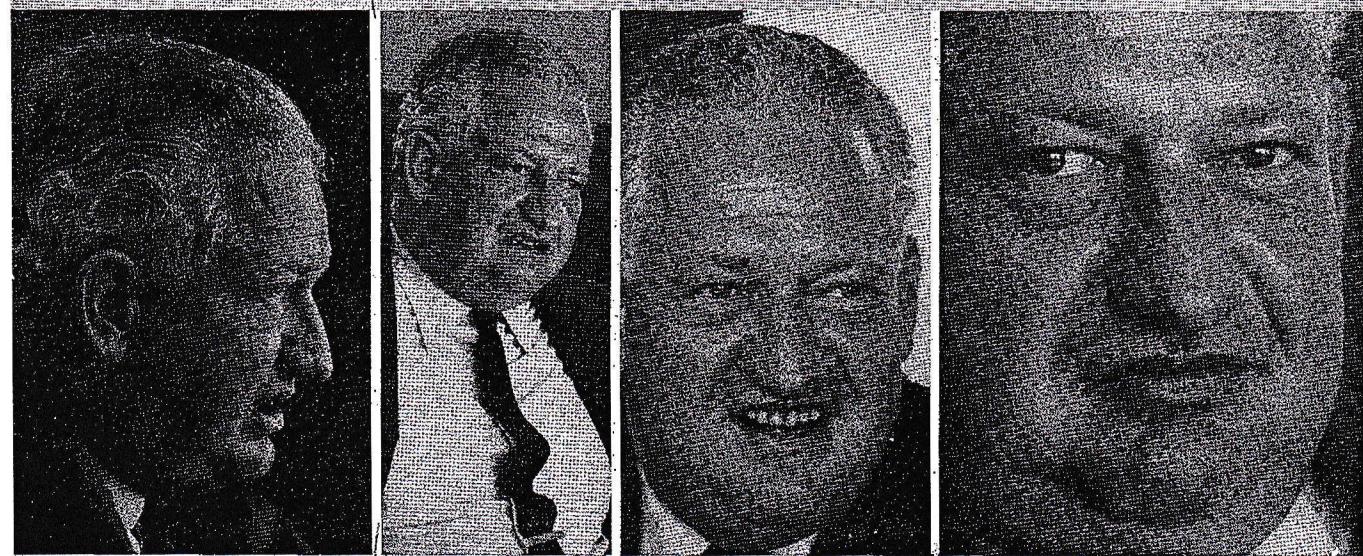
FORBES

CHARLES W. ENGELHARD'S
INDUSTRIAL EMPIRE



The Engelhard Touch

Though the general public hardly knows his name, Charlie Engelhard is an international businessman on the grand scale, a man of great influence in at least three financial capitals. He may even have been the inspiration for Ian Fleming's Goldfinger.



CHARLES WILLIAM ENGELHARD JR., at 48, is master of Cragwood, a 150-acre estate in northern New Jersey, and proprietor of an already huge and rapidly expanding mining, refining and investment empire. Chairman of something like six major corporations and director of maybe a dozen more, Engelhard presides over an international organization that reaches from New Jersey to Australia, from South Africa to Western Europe. In the 15 years since he inherited the family metals business, he has emerged as one of the most powerful figures in the world of international business.

By comparison with such men as Aristotle Onassis, Jean Paul Getty or even D.K. Ludwig, Charlie Engelhard is little known to the average businessman. The folder of his personal press clippings in the FORBES library comprises not more than a half-dozen items, none more recent than 1963. A few months ago he attended a large dinner in Washington, and none of his fellow guests showed a flicker of recognition when they were introduced.

And yet Engelhard has an expansive, sometimes exuberant, private personality. He made a very public bow a decade ago when he ran as the Democratic candidate for the New Jersey legislature in an overwhelmingly Republican county. It took a recount to determine that he had lost the neck-and-neck battle. He is still active in Democratic politics and often

participates in missions for President Johnson. He and his wife give magnificent parties, frequently figure in the society columns of three continents.

He sets down at airports throughout the world in his own private plane, a \$1-million Convair 440, accompanied by a bevy of secretaries, aides and personal friends. There is even circumstantial evidence that it was Engelhard who provided Ian Fleming with the idea for one of James Bond's most worthy antagonists: the engaging, if sinister, Auric Goldfinger.

International Portfolio

What has kept this powerful and colorful man from being better known is probably the fact that he lacks a public platform. No well-known products bear the Engelhard name or even the names of his companies. For the most part he operates through relatively obscure corporations and in products of which the consumer is rarely aware. And although he is a frequent caller at the White House, he makes few public pronouncements, grants few interviews. Publicity, while he does not shun it, is simply not his style.

The cornerstone of Engelhard's operations is Engelhard Hanovia, a \$95-million (assets) family holding company headquartered in Newark, N.J. Hanovia does a modest \$20-million-a-year business as a producer of high intensity (Hanovia) lamps, medical

and electrical instruments and industrial diamonds. But the heart of its business—and its power—is its investment portfolio, repository for Engelhard's investments in some 28 companies on six continents.

The most important of these holdings is Engelhard Industries (72% owned by Engelhard Hanovia), the world's largest refiner and fabricator of precious metals (gold, silver, platinum and the like), and, with subsidiaries in ten foreign countries, an international giant in its own right. "Industries," as Engelhard aides call it, earned nearly \$5 million last year on roughly \$200 million in sales. Larger but less securely locked to Hanovia is Minerals & Chemicals Philipp (20% owned), an international mining and trading organization with profits last year of \$13 million on \$447 million in sales. These two constitute Engelhard's major U.S. interests, but hardly his only important ones.

Engelhard is also chairman of \$57-million (assets) American-South African Investment Co. Ltd., a closed-end investment trust specializing in South African gold mining stocks, which he organized in 1958 and in which he retains a small stock interest. He is the largest stockholder (5.2%) and a director of International Silver, the U.S.' leading silversmith. Since last April he has also been the controlling (35.5%) stockholder in Eurofund, Inc., a \$28-mil-

lion closed-end trust which specializes in European securities.

In South Africa, moreover, Engelhard is a real power. Over the past 15 years, he has made a series of major investments in South Africa—worth nearly \$30 million currently, a huge sum by the capital standards of that developing economy. In his own right, Engelhard owns extensive investments in a number of South African enterprises: S.A. Forest Investments (timberlands), Duroplastic (noncorrosive pipe), and PentaChemical (chemicals). He has an important interest in giant Anglo American Corp., in Anglo American subsidiaries like Rand Selection, Charter Consolidated, and Rand Mines. Most important, his personal friendship with South Africa's Harry F. Oppenheimer, 56, chairman of the vast Anglo American complex, has made him a person to reckon with in financial capitals like London, Johannesburg, and New York.

Little known in the U.S., South Africa's Anglo American Corp., with assets of \$462 million and profits of \$38.4 million, is one of the world's great corporations. It has some 157 subsidiaries and affiliates, and in addition controls \$530-million (assets) DeBeers Consolidated Mines. All together, Anglo American controls assets valued at close to \$3 billion and dominates the South African economy much as the Southern Pacific once dominated California's—not only in its basic gold and diamond mining business but in manufacturing, real estate and banking as well.

Anglo is of more than merely regional importance. Together with DeBeers it controls something like 80% of the non-Communist world's diamonds, 25% of its gold, 9% of its copper. Beyond this, Anglo has been expanding in recent years on a worldwide scale. In the development of Anglo's ambitions—not only in North America and elsewhere in the world but also in South Africa itself—few outsiders have played a more critical role than Harry Oppenheimer's close friend and American partner, Charles Engelhard Jr.

Fathers & Sons

A great hulking man with grey, curling hair, and a growling, vaguely British manner of speech, Charlie Engelhard comports himself with all the concentrated power and assurance of a Roman emperor. And with good reason. For unlike many of today's big operators, Engelhard is no mere creation of press agentry and stock-market paper profits. He has assembled his empire under the handicap of having been born, not filthy rich, but at least very rich. "I'm only the

second generation," he says dryly. "They say it takes three generations to lose the family money."

The Engelhard fortune was founded by Charles Engelhard's father. An austere and autocratic German, Engelhard came to the U.S. in 1891 as a sales representative of a German platinum firm. "The family was well off in Germany," his son says, "but my father didn't get along with his father." Within a few years, the elder Engelhard had begun making the investments in the various precious metals companies that were later to form Engelhard Industries—Baker & Co. (platinum), Irvington Smelting (gold and silver), American Platinum Works, D.E. Makepeace (gold and silver sheet, tube and wire) and Amersil Quartz (fused quartz and silica for industrial use). In the Twenties, Engelhard became the marketing agent for International Nickel's production of by-product platinum. This was to form the basis of the company's post-World War II expansion



Friends & Partners. Charles Engelhard, Harry Oppenheimer.

into the industrial market, but that development was years away. As recently as 1950, Engelhard's precious metals business was still tied primarily to the dental and jewelry trades.

"As a businessman," Charles Engelhard says, "my father was very thorough, very Germanic. He controlled every detail of the business. He visited every plant he owned every day, punching in and out by the time clock. In some companies he signed every check for more than 50 cents. He didn't take holidays, and he didn't believe in anyone else taking holidays. He was a tough businessman by any standard, and he kept remarkable control of costs." The Engelhard interests prospered. By the time of his death in 1950, Charles Engelhard Sr. had amassed a fortune worth between \$10 million and \$20 million.

"I can't remember ever having a personal conversation with him," his son says, the child of later years, born

when his father was nearly 50. "All we ever talked about was business. We talked out his problems. So even in my youth I had an intimate knowledge of business. He used to say that if you asked both of us ten questions, nine times out of ten our answers would be the same. I remember somebody once asked, 'What happened the tenth time?' Engelhard remains discreetly silent about that. But the object was apparent: "My father's whole ambition was to have me succeed him in the business. Fortunately I had no disinclination to do so."

African Excursion

Having emerged from the Air Force a captain, Engelhard went to work for the family company after the war and soon found himself heading for South Africa to set up a new subsidiary. "I wanted to do something different from what my father had done," he explains. "Africa was different." At the time, he says, there was no free market in gold as there is now, and as a result, newly mined gold was prohibited from moving in international trade, except in the form of art objects. To beat these restrictions, in the late Forties all the bullion dealers began setting up manufacturing operations in South Africa. They produced jewelry and other manufactured objects—solid gold pulpit tops, dishes and bracelets, for instance. Most of these baubles sold in the Far East where, most probably, they were melted down into bullion again.

Engelhard's jewelry manufacturing company—Precious Metals Development—was incorporated in 1949 by the London firm of Robert Fleming & Co., Ltd. "That's when I met Ian Fleming," Engelhard says, "though I never knew him well." Chances are, however, that Fleming remembered both Engelhard and his curious gold manufacturing operation when he came to write *Goldfinger* a decade later. And Engelhard amuses himself with the resemblance: He claims to have a stewardess on his Convair nicknamed Pussy Galore.

Precious Metals Development went out of the gold manufacturing business when gold trading was resumed in 1954, but by then Engelhard had already established himself on a small scale in South Africa. Some timberlands in the Transvaal had caught his eye and he had purchased them. "At the time," he says, "South Africa seemed to have enormous potential, particularly in raw materials. I liked the country, and I liked the people. I decided to stay and invest there. My father took no interest in South Africa, but he was pleased we were making money."

It was not only in business but in his personal life that Charles Engelhard broke dramatically with the pattern established by his father. In 1947 he married golden-haired Jane Reis-Brian, socially prominent daughter of a Brazilian diplomat, and became the father of five daughters.

Where his father had lived quietly, Engelhard began moving with increasing frequency in international society. He established homes in New Jersey, Johannesburg and Florida, an apartment in New York and a fishing camp on the Gaspé Peninsula. Already a golfer and horse fancier, he began raising golden retrievers at his New Jersey estate. Racing horses, those toys of the very rich, became Engelhard's specialty. He now owns over 100 which he races at tracks in the U.S., Britain and South Africa. And so, a year ago, when *Vogue* asked itself, "What Are the Beautiful People Doing?" it naturally went to Jane Engelhard for the answer.

Of his short-lived political career, Engelhard says, "Losing that election was the best thing that could have happened to me. Otherwise I might not have done much in business." But he is still active in the Democratic party and an intimate of the Johnson Administration. A member of the Foreign Policy Association, the Committee for Economic Development and the President's Special East-West Trade Committee, he represented the U.S. at the Independence Day ceremonies in Gabon and Zambia and at the coronation of Pope Paul VI.

What is probably most remarkable, however, is that Engelhard has been able to integrate the three aspects of his personality. He is not merely a businessman, a playboy or a politician, he is all three and all at the same time. He thus confounds the Calvinistic preaching that work and play don't mix. Indeed, as he himself admits, this fusion of interests has become an integral part of his style as a businessman. "Personal relationships," he says, "are the source of what we do."

Business & Friendship

Engelhard, in short, is a member of the small inner group that plays such an important role in U.S. and international business affairs. It is a group based neither on birth nor title nor on sheer ability, but on the simple fact that men from the beginning of time have preferred doing business with people they know, like and trust.

Take for example, Engelhard's investment banking connections. Douglas Dillon, the former Secretary of the Treasury, is one of Engelhard's neighbors in New Jersey. Dillon, Read,

quite naturally, is one of the Engelhard bankers as well as Hanovia's partner in the firm that manages American-South African Investment. André Meyer, senior partner of the New York branch of the international banking firm of Lazard Frères, is a close personal friend. It was Meyer—whose firm had long held a major position in Minerals & Chemicals Philipp—who drew Engelhard's attention to the company and so led him to acquire a major interest in 1963. Or again: Engelhard served with Sloan Colt, chairman of Eurofund, on the New York Port Authority, while Lazard Frères alerted him to the availability of a large block of Eurofund stock.

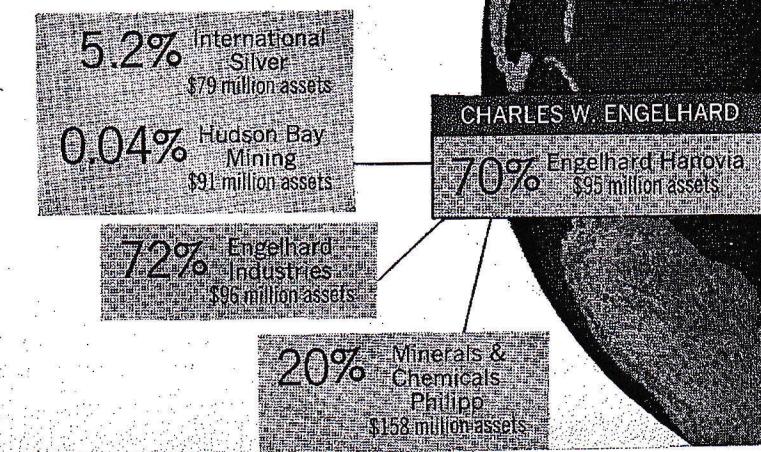
The prime example of Engelhard's fondness for mixing business with friendship is his long-standing relationship with Harry Oppenheimer, whom he first met more than a decade ago. "Harry and I just happened to fall across each other," he says. "We became friends. We found we saw things alike, we had mutual interests, and so it was only natural that we should want to work together." From Engelhard's point of view, Oppenheimer was the ideal partner for anyone wanting to invest in South Africa. "Anglo has been so successful," Engelhard says, "because the Oppenheimers kept their money in South Africa. They didn't take it to London. You have to do business where your money is."

The affinity between Engelhard and Oppenheimer seems obvious enough. Both men are or have been active in politics and, in the context of their respective countries, in liberal politics. Oppenheimer, in fact, pulled out of South Africa's United Party because of its die-hard position on South Africa's explosive racial problem. Oppenheimer, like Engelhard, is also a horse fancier and owns one of the largest stables in South Africa. "Harry likes his business associates to share the same relaxed interests," an Anglo official observes. "Other things being equal, if he had to choose between a racing man and one who did not know one end of a horse from the other, the racing man would win Harry's friendship every time."

Engelhard's first major breakthrough in South Africa came in 1957. He joined Oppenheimer in winning control of Central Mining, a company long associated with the Anglo American complex, and its mining affiliate, Rand Mines. At the time, Central Mining was awash with cash—something like \$22 million from the sale of its Trinidad oil properties to Texaco (FORBES, Nov. 15, 1964, p. 38). It was a tempting prize for anyone with the imagination to see it. When a group of outsiders moved to take over the company, management called for help. Engelhard, Oppenheimer and International Nickel galloped to the rescue, armed with \$13 million in

The Engelhard Empire

Through Engelhard Hanovia, the family holding company, Charles Engelhard plays a major role in roughly a dozen major corporations—some by the exercise of majority control (in color), others—like the Anglo American group and American-South African Investment—by the force of personality.



cash. They founded Rand American Investment Co. as a vehicle for acquiring control, and Central Mining stayed in the family. To cement their new mutuality of interest, like kings of old marrying off their offspring, Oppenheimer acquired a 10% interest in Hanovia, and Engelhard in return acquired a similar interest in E. Oppenheimer & Sons, the Oppenheimer family holding company which controls Anglo American.

"We gained control with the cooperation of management," Engelhard says, "and without a battle. That's always been one of our main objectives. We've never taken an interest in a company—Central Mining, Minerals & Chemicals, Eurofund—with the cooperation of management. Life is too short for proxy fights."

By any yardstick, Central Mining was a major coup. For their \$13 million, Engelhard and his partners had won control of a \$400-million investment, management and mining complex with interests not only in South African gold and uranium but in newspapers, cement, asbestos and timber as well. Central Mining was converted into an investment company, with expanding interests in Rhodesian copper, Portuguese tin, Canadian oil and the like. Its affiliate, Rand Mines, with Engelhard as chairman, concentrated on the combine's South African interests.

"I think it's generally conceded,"

Engelhard says, "that the company hadn't been doing much for some time before we took over. But we promptly led it into new ventures, nearly all of which have been successful." Engelhard proceeded to expand Rand Mines' traditional position in gold and uranium, and then to branch out into new industrial areas as well—coal, data processing services, copper refining. More recently he has spearheaded the exploitation of the group's platinum rights, and launched a promising ferrochrome project in the Transvaal. Rand is now building a stainless steel mill, the first in South Africa, in association with Eastern Stainless Steel.

Even more spectacular was Engelhard's success in bringing Kennecott Copper's disastrous South African gold mining ventures under Rand Mines' control a few years ago. In the early Fifties, Kennecott sank \$46 million into two South African gold mines—Virginia and Merriespruit. Virginia was no prize to begin with, and Merriespruit flooded soon after it went into operation. Kennecott was faced with the prospect of losing the whole of its \$46-million investment. Engelhard saw an opportunity to salvage the operation, however. It offered Kennecott \$17 million for its investment, then formed a consortium, headed by Rand Mines, to take over the property. Kennecott quickly accepted. Engelhard proceeded to coordinate Virginia and Merriespruit's

production with that of Rand's adjacent Harmony Mine. He solved Virginia's mining problems, and in the process dewatered Merriespruit.

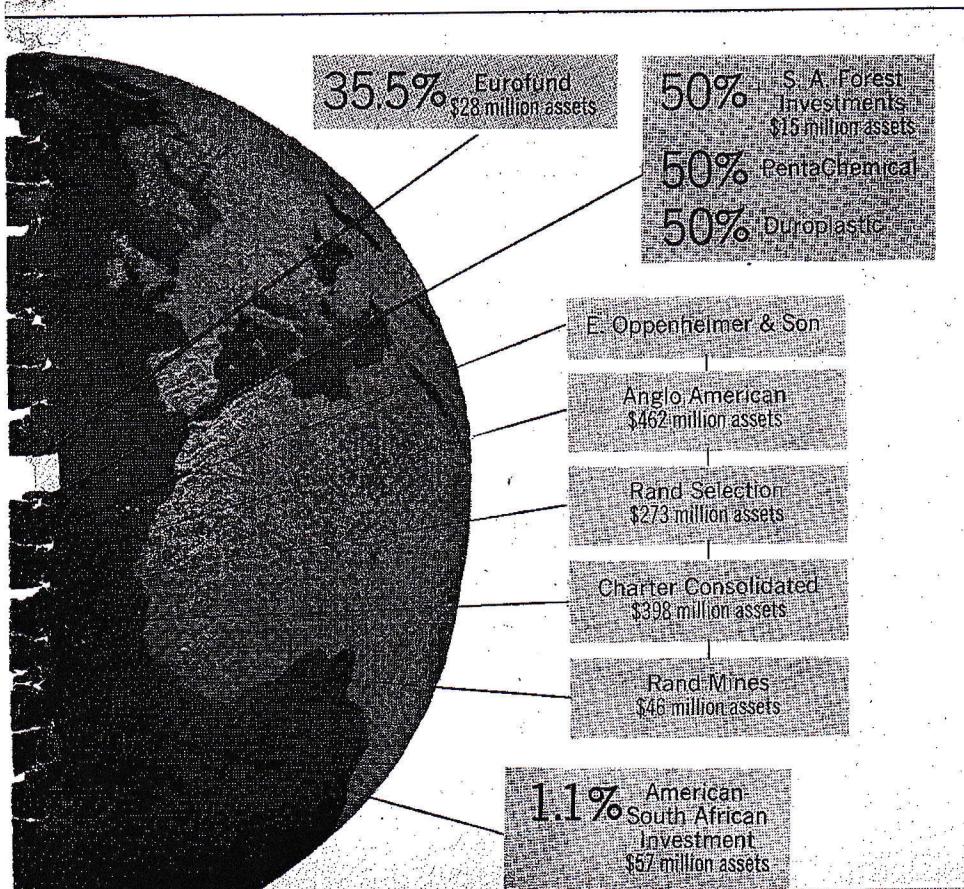
"There was no other way the property could be salvaged," Engelhard says. "The mines are now profitable, and full payment has been made to Kennecott out of earnings. I wish I could make more deals like that one." Engelhard is vague about just how well he and Rand Mines fared on the deal. "You gauge your investment," he says, "by the risks. I'd say you were not doing badly if you doubled your money in a few years." And he adds: "For a short-term high-risk investment, you ought to be getting at least 10% to 12% a year."

Two-Way Street

For Engelhard, however, success in South Africa has imposed its obligations, and Engelhard has dutifully fulfilled them. South Africa has badly needed capital for its dynamic economic expansion. Engelhard helped to bring capital from abroad. In 1958 he set up American-South African Investment, a closed-end trust which currently has nearly \$60 million in assets. While the money was invested in existing enterprises, the capital freed other South African money for new investment. Most of its portfolio consists of gold mining stocks, and with gold speculation rife, the fund has performed spectacularly well in recent months. Since the first of the year alone, American-South African common has shot up from 46 to 57. "The original purposes have been fulfilled," Engelhard says. "The company's net asset value has doubled. You can't complain about that."

For South Africa, American-South African came just in the nick of time. At the time, its gold reserves had dropped to 75 million pounds sterling, and American-South African brought in 12 million pounds and helped restore confidence in the Rand, South Africa's basic monetary unit. More recently, in the wake of the Sharpeville riots, when South African gold reserves fell even more sharply, Engelhard, in behalf of an Anglo affiliate, succeeded in arranging a \$30-million loan in the U.S. "The whole of this sum," Harry Oppenheimer has said, "was brought to South Africa, where it made a significant difference to the reserves of foreign exchange. It provides an interesting example of the great value of possessing financial institutions with international connections."

Thus, the Engelhard-Oppenheimer partnership is a two-way street. And the chances are that in the future Engelhard will play an even more



important role in furthering Anglo's global ambitions than he has in the past. This spring, in a massive three-way merger, Anglo merged Central Mining, Consolidated Mines Selection and British South Africa into a single giant company, Charter Consolidated. The object, Engelhard says, was "to create a stronger investment medium, with the resources to go into new ventures in other parts of the world. There is no intention of running away from Africa, only of broadening the company's base." Engelhard, with his extensive personal contacts, will almost certainly occupy a strategic position in Anglo's North American expansion. Already, in fact, at Engelhard's recommendation, Anglo has acquired a 17.5% interest in Canada's \$91-million Hudson Bay Mining & Smelting.

The chances are that Engelhard will play a less important role in South Africa in the future. He has already

transformed the business his father so carefully put together over a half-century. From a loosely organized if tightly controlled family company, he has made it a highly centralized 20th century corporation.

Rationalization & Research

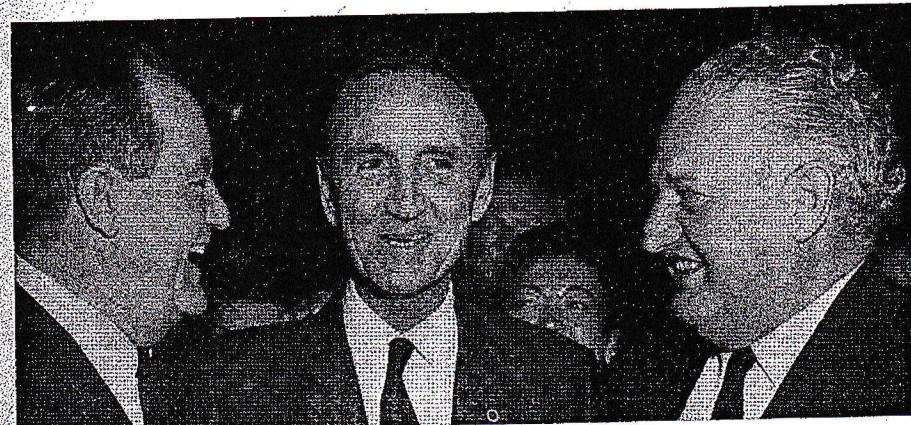
In his father's time, each Engelhard unit conducted its business autonomously. So much so that a Baker & Co. salesman might find himself competing with a Makepeace salesman for the same business, without either knowing they worked for the same owner. Engelhard changed all that. After his father's death, he welded all the various Engelhard enterprises into a single operating unit, centralizing authority and at the same time developing more independent management on the lower levels. Gone were the days when the proprietor visited every plant daily to be sure things were going well. "Engelhard says he'd

jewelry and dental trades. Instead they were focused upon a multitude of industrial markets—automotive, aviation, aerospace, chemical, electronics, glass, petroleum, synthetic fibers, among others. "In 1950," Engelhard says, "the bulk of our business went to the dental and jewelry trades, as against only 10% last year. Today our sales are directly related to the advance in industrial technology."

Initially, Engelhard Industries simply cashed in on the booming postwar demand for gold, silver, and Engelhard's particular specialty, platinum. But, since Engelhard assumed command of the company, it has been bending every corporate muscle not simply to meet demand but to create it. "We're right in the middle of the battle of materials," Engelhard says. "As soon as we manage to open up a new market, somebody else sets to work trying to find a cheaper substitute." As a result, research has emerged as a basic spur to Engelhard Industries' long-term growth.

Specialized mill products—wire, sheet, foil and tubing—and electrical contacts for use in communication systems and computer circuits provide nearly a third of Engelhard Industries' sales. But some of its newer markets are also developing rapidly. Take the synthetic fiber industry, for instance. Engelhard produces platinum spinnerettes—dies through which synthetic fibers are extruded under pressure. For the oil, pharmaceutical and chemical industries, Engelhard produces platinum catalysts. Nearly all of the world's nitric acid is now produced by virtue of platinum catalysts, and so is a large proportion of the world's gasoline. Overall, Engelhard produces something like 2,000 different products for 24 major markets. And Engelhard research scientists are laboring to develop even more.

Yet, with platinum usage doubling every ten years, Engelhard Industries has been hard put in recent years to supply the explosive demand for platinum that its own research efforts have created. The major sources of platinum are Canada, where International Nickel Co. produces it as a by-product of nickel; the Soviet Union, which sells to the outside world only what it cannot use itself; and South Africa, whose output has traditionally been sewn up by British competitors like Johnson, Matthey. This year, however, under a contract with Rand Mines, the Engelhard firm will begin tapping a new South African source of supply, refining the metal at a \$2-million plant in Newark and marketing it abroad. "In terms of supply," Engelhard says, "this is a feast-and-famine business."



Friends & Politicos. Hubert Humphrey, Mike Mansfield, Charles Engelhard.

withdrawn from his once-active role in Rand Mines. He repeats vigorously that his South African affairs are conducted not directly through Anglo subsidiaries like Rand Mines, Charter and Rand Selection, in which he has substantial interests, but through E. Oppenheimer & Sons, Anglo's parent company. Engelhard very probably feels that he has gotten in quite deep enough in South Africa. As it is, he has carefully kept his South African interests apart from the rest of his operations. Among the Engelhard companies, Engelhard Hanovia and only Engelhard Hanovia has any investments in South Africa. "After the African business grew," Engelhard says, "I segregated it from the rest of our operations."

Engelhard's other operations may lack the romance and glamour of Africa, but they are even more important in the over-all context of his fortune. In the 15 years since his father's death, for instance, Engelhard has virtually

like to do that," an aide says, "but he's too busy managing the company."

Engelhard had an additional object: public ownership. "I had my family to consider," he says. "I have five daughters—no sons to carry on the business—and I thought if anything happened to me, a public base for the family's interests would offer them more protection. Besides a public base makes it easier to broaden the business through merger." And so, in 1960, Engelhard's precious metals business went public as Engelhard Industries. Retained by Hanovia, the family holding company, were the more speculative operations, those that did not fit into the precious metals business, or those that pertained to South Africa.

In so doing, Engelhard let the public in on what is probably the most promising of all the Engelhard enterprises. For by then Industries' operations were no longer oriented primarily toward the relatively slow-growing

And it is shortages—far more than prices—that cost us our markets. This new South African source of supply will make it possible for us to supply our customer requirements in a more sure and steady manner without fluctuations."

Despite these inevitable fluctuations in metal prices and demand, Engelhard Industries has done spectacularly well in recent years. Since 1955, its per-share earnings have climbed 98%. With industrial demand continuing to mount, Engelhard Industries gives every indication of doing even better this year. At the end of the first half, its earnings were up something like 69% on a 22% gain in sales.

Given the volatile nature of the precious metals business, Engelhard still hopes to diversify the company one of these days, though he has yet to find a major prospect with sufficient allure. "Ideally, of course, what you look for is a company with good earnings, good prospects and good

national ore trader, Philipp Brothers.

For this reason, Engelhard says, he has no intention of merging MCP into Engelhard Industries. Instead he is cashing his MCP holdings in the Engelhard Hanovia investment portfolio. "I have a management interest," he says, "a voice in management, but I don't run the company. They're doing all right on their own."

The MCP deal was a typical Engelhard operation. When Engelhard acquired his 20% interest in MCP, three of MCP's executives picked up an 8% interest in Hanovia. "I was able to get a large block of stock," he says, "with the good will of the management."

In MCP, Engelhard seems to have moved at almost precisely the right moment. Ever since he acquired his interest in September 1963, the demand for raw materials on a worldwide basis has been little short of explosive. Last year MCP was breaking all records. Earnings shot up 37% on a 45% gain in sales, and this year

the European stock markets, Eurofund has not done well in recent years. Last year its net assets per share, for instance, were down 22% from their 1960 high. But Engelhard and his advisers hope to succeed where Eurofund's original proprietors failed. "Eurofund," Engelhard says, "is a way of participating in the over-all development of Europe without sending any more dollars overseas. The fund was overdiversified, involved in too many small situations. We intend to concentrate the portfolio."

Whether Engelhard's timing will prove as expert in Eurofund as it did in MCP remains to be seen. The prognosis, however, is excellent. All the Engelhard companies have done well in recent years. American-South African common has shot up over 100% since it was offered in 1958, Engelhard Industries 35% since 1960, Minerals & Chemicals Philipp almost 30% in the past 22 months. Indeed, Engelhard's U.S. holdings alone had a market value



Gun Shy. Wide-ranging Engelhard on a South African safari hunts game with a camera and his brilliant but beautiful wife, Jane Engelhard (left). A more violent hunter is Engelhard's supposed cinematic counterpart, the sinister Auric Goldfinger, shown at far right with the biggest game of them all: Secret Agent 007, James Bond.



management. But generally you can't afford companies like this, so you settle for something less—a reasonable amount of growth in an area aligned with what you're already doing. Engelhard Industries, for instance, is suited to managing a business where high-cost materials, economy of operation, and precise measurements are significant. I myself have done things on a broader base, because I've traveled, because I have a knowledge of the world's political and economic affairs. I look upon myself as investing in things where international affairs play a role."

It is these special, personal skills rather than the operational and technical skills of Engelhard Industries that Engelhard will contribute to Minerals & Chemicals Philipp. MCP is a rather special kind of company born of a 1960 merger between a smallish producer of special materials like kaolin, Fuller's earth, chemical bauxite and limestone; and a huge inter-

promises to be even better. In the first half, MCP's earnings were up another 33%.

Something of Value

Engelhard denies that his success in MCP was simply a matter of luck. "People seem to think I play hunches," he says. "Well, I play hunches in poker or horse racing, but not in business. What's really involved is a sense of timing, and I suppose I have been lucky in that respect. But you wouldn't call it a hunch to say that the people of the world today are demanding a period of controlled inflation—and you wouldn't say you were playing a hunch if you invested your money in companies likely to cash in on that controlled inflation."

As Engelhard sees it, it was anything but a hunch that led him two months ago into taking a controlling position in Eurofund, a closed-end trust specializing in European securities. Because of the sluggishness of

last month of roughly \$100 million, as against \$10 million to \$20 million when his father died in 1950. In addition there is Engelhard's \$30 million African investment. But as Engelhard himself admits, "What its real value is I couldn't say."

This \$130-million economic empire is certainly not the largest in the world. There are a dozen men with larger fortunes in the oil industry alone. There are a dozen others, from Howard Hughes to Howard Ahmann (FORBES, July 1, p. 26) who have assembled larger corporate empires. Even the tenfold increase in the Engelhard fortune is not unparalleled in these days of inflation, easy credit and bull markets. But you can't judge economic accomplishment by numbers alone. Engelhard himself has no doubt precisely where his achievement does lie. "Other men," he says with quiet assurance, "may have made larger capital gains, but few men have earned more economic power." ■